

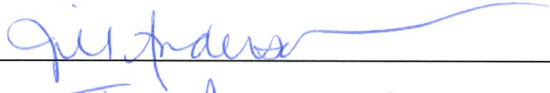
Certification of Applicant Match

Organization Name City of Chehalis
Project Name LWCF - Chehalis Recreation Park Upgrade Renovation Phase 2
Project Number 18-1819

The sources and amounts of our matching share will be:

Source of Match	Amount
WWRP - 18-1736	\$500,000
Chehalis Foundation 501 (C)(3)	\$588,643
City of Chehalis	\$825,000
The city has other non-governmental match	
funds available if the RCO matching	
grant funds are not received	
Total	\$ 1,913,643

As the authorized **financial** representative for the above identified organization, I hereby certify that the sponsor matching resources are available for the project referenced above. I further acknowledge that our organization is responsible for supporting all non-cash commitments and donations should they not materialize.

Signature 
Printed Name Julie Anderson
Title City Manager
Date 4-19-19



For the community. For the future.

April 17, 2019

Lilly Wall, Recreation Manager
1321 S Market Blvd.
Chehalis WA, 98532

Dear Lilly,

The purpose of this letter is to confirm that the Chehalis Foundation is actively raising money to support the renovation of the Recreation Park Renovation Project and has secured \$589,000 to fulfill the matching fund requirement of the Washington Wildlife and Recreation – Local Parks Grant and the LWCF Grant. We understand that it is the responsibility of the Chehalis Foundation to provide \$589,000 matching funds.

If you have additional questions, please feel free to contact me at (360) 748-8733.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Tim Sayler', is written over a faint, larger blue ink signature.

Tim Sayler
President, Chehalis Foundation

February 25, 2019

The Chehalis city council met in regular session on Monday, February 25, 2019, in the Chehalis city hall. Mayor Dennis Dawes called the meeting to order at 5:00 pm with the following council members present: Terry Harris, Daryl Lund, Dr. Isaac Pope, Bob Spahr, and Chad Taylor. Councilor Tony Ketchum was absent (excused). Staff present included: Jill Anderson, City Manager; Ken Cardinale, Fire Chief; Kiley Franz, Acting City Clerk; Bill Hillier, City Attorney; Hillary Hoke, Planning/Building Manager; Andrew Hunziker, Property/Facilities Manager; Trent Loughheed, Community Development Director; Brandon Rakes, Airport Operations Coordinator; Rick Sahlin, Public Works Director; Chun Saul, Finance Director; Glenn Schaffer, Police Chief; Judy Schave, HR/Risk Manager; Don Schmitt, Street/Storm Superintendent; Dave Vasilauskas, Water Superintendent; and Lilly Wall, Recreation Manager. Members of the media included Katie Hayes from *The Chronicle*.

1. Public Hearing – Proposed Amendments to the 2019-2024 Six-Year Transportation Improvement Program.

Mayor Dawes recessed the regular meeting and opened the public hearing at 5:00 pm. Rick Sahlin stated that at the previous meeting, Councilor Taylor reported that the Lewis County Transportation Strategy Council awarded the city funds for two projects. One was for NE Kresky Avenue, which was on the city's Six-Year TIP for construction in 2022. Staff proposed to move the project to 2019. The other project was for SW Interstate Avenue, which wasn't on the Six-Year TIP. Staff proposed to add the project for construction in 2019. In order to do that, a public hearing must be held to amend the TIP. The city's portion for the Kresky and Interstate projects was estimated to be \$118,125 and \$85,030, respectively. The Interstate project will be a joint project with the county and they will act as the lead agency for the project.

Mayor Dawes asked Mr. Sahlin to explain why these two streets were identified when other streets may be in worse condition. Mr. Sahlin stated that streets have to be on the federal aid route to be eligible and have to be able to be completed in 2019, and funds obligated for construction by October 2019.

Mayor Dawes noted that Market Boulevard from 13th Street to the city limits was included for construction in 2023. He asked if it could be done sooner if it qualified for grant funding. He didn't know if the street would last that long without some kind of maintenance. Rick Sahlin explained that depending on the grant funding, doing maintenance sometimes lowers the city's eligibility for funding. Trent Loughheed stated the three phases for Market Boulevard were identified as the downtown core, from Park Street to 13th, and from 13th to the city limits.

No members of the public commented on the proposed amendments. Mayor Dawes closed the public hearing at 5:07 pm.

Mayor Dawes noted an item was added to the agenda under New Business regarding the purchase of property.

2. Consent Calendar. Councilor Spahr moved to approve the consent calendar comprised of the following:

- a. Minutes of the regular meeting of February 11, 2019;
- b. February 15, 2019 Claim Vouchers No. 124999-125132 and Electronic Funds Transfer No. 12019 in the amount of \$311,123.09;
- c. Interlocal agreement for equipment use with City of Centralia;
- d. Award bids for rock, gravel, and asphalt;
- e. Resolution No. 3-2019, first and final reading – amending the 2019-2024 six-year transportation improvement program; and
- f. Project partnership agreement with Lewis County for Interstate Avenue paving project.

The motion was seconded by Councilor Lund and carried unanimously.

3. Recreation Park Renovation Project Update. City Manager Anderson recognized members of the Chehalis Foundation who were in attendance and acknowledged the significant commitment in funds they have made to the project. City Manager Anderson spoke about the history and importance of Penny Playground to the community, but also noted that the facility was deteriorating. A new structure is being planned for the next generation, and to honor the spirit of the existing facility.

February 25, 2019

City Manager Anderson stated some people may wonder why the city was taking on a major park renovation when there are other major things needed, such as a new fire station. She explained that when grant monies are involved, there are specific restrictions on how that money may be used. The grants and donations being received are specifically for the park project and they cannot be used for anything else.

Lilly Wall stated Penny Playground is a regional facility with unlimited value to the community, with ballfields that have impressively served the community for 25+ years. It is a shining example of community involvement and is the result of incredible community effort, specifically the fastpitch complex, but the park is deteriorating due to age and it needs to be upgraded. Project partners include the Chehalis Foundation, the city, and the Penny Playground Strategic Planning Committee. Community members include Chehalis Rotary, local businesses, Lewis County Developmental Disabilities, Twin Cities Rotary, and TransAlta. The goal of the Penny Playground renovation is to create a modern, accessible, inclusive, and upgraded play structure to serve the residents of Chehalis and surrounding communities for generations to come. The ballfield goal is to create a state-of-the-art facility for high school and youth fastpitch programs that will attract teams to the community to play in tournaments, creating an economic driver for local businesses. Walkways and trail design will include upgrading existing walkways and creating a trail around the perimeter of the park that will meet current ADA standards. Ms. Wall reviewed the project budget and funding sources:

Project Budget	\$3,750,000
Ballfield	\$1,864,000
Penny Playground	\$1,350,000
Walkways, trails and drainage	\$ 536,000
Funding Sources	
Secured Funds	\$1,306,000
Pending Funds	<u>\$1,700,000</u>
Total	\$3,006,000
Funding Shortage	\$ 744,000

Ms. Wall stated Chun Saul would speak next about options for the funding shortage. She also outlined the items that would not be included in the project – significant parking upgrades due to BNSF denial of the requested easement; light poles and light fixtures on the main walkway through the park; backstops and dugouts; shade cover in ballfield complex; security cameras for ballfield complex and playground; and concession stand upgrades for cooking.

Councilor Harris suggested that local companies be contacted to see if they would be willing to provide in-kind services/materials to be able to include the items not currently included. Ms. Wall indicated they would certainly consider that as they do community outreach.

Ms. Wall stated that if all funds are secured (grants, fundraising, loans/bonds) the project timeline would have construction begin in August with completion in October 2019. She stated the timeline would need to be adjusted pending funds are not secured.

Councilor Taylor thanked the many people that started the Chehalis Foundation, especially Joanne Schwartz, a former city employee and current member of the Foundation. He thanked all the members of the Foundation for what they have done for the community. Ms. Wall, Mayor Dawes, and Councilor Harris echoed Councilor Taylor's comments.

4. Financing Options for Recreation Park Renovation Project. Chun Saul stated the funding gap for the project was \$744,000.

City Manager Anderson stated it was anticipated that the city would secure a loan or council-manic bond, and that the primary source of repayment would be lodging tax dollars, which are restricted monies. The Lodging Tax Advisory Committee has communicated support for this over the course of the last two years and has set aside money in anticipation of the project.

Ms. Saul stated that with the estimated construction timeline outlined by Lilly Wall, the funding would need to be available in mid-September to pay the first pay estimate to the contractor. She provided two financing options through the Office of the State Treasurer:

February 25, 2019

LOCAL Program

- Structured as a financing contract (lease)
- Pools various lease agreements across all LOCAL participants and packages them as a security called a Certification of Participation (COP), similar to municipal bonds
- Structured with regular principal and interest payments and sold to investors
- Recreation Park improvement project qualifies as real estate transaction, maximum term of 20 years
- Participation dependent on credit approval.

Private Placement Financing

- Debt obligation arranged with a single investor (i.e., bank, insurance company, individual), instead of public issue with multiple investors
- Requires City Council approve delegation bond ordinance – outlines the parameters (i.e., max par amount, maturity, interest rate, etc.)
- Engage private placement agent and bond council
- Maximum payment flexibility
- Prepayment flexibility (negotiable)
- Lower legal fees than traditional municipal bonds
- Expedient funding (about 8 weeks)
- 15-year maximum maturity recommended – interest rate is typically lower and there are more bidders. (There are more bank purchasers that can only go out 15 year or less).

Ms. Saul reviewed the pros and cons for each option:

LOCAL Program

Pros: No upfront issuance costs; issuance cost is lower and included in the interest rate

Cons: Timing restriction/application deadlines: 3/22/19 for 6/25/19 funding (not ideal); and 7/15/19 for 10/22/19 funding (potential); prepayment restriction – 10-year no-call period

Private Placement Financing

Pros: City controls financing terms and options; city has control of timing for funding; maximum payment flexibility; prepayment flexibility; takes about 8 weeks to close a deal; potentially slightly better interest rates (bank-qualified financing vs. non-bank qualified); no continuing closure requirement

Cons: Up-front issuance costs, estimated at bond council \$4,500; private placement agent \$8,500-\$12,500

Ms. Saul provided estimated debt service payment scenarios for \$825,000 for both 15 and 20-year terms. She noted that the interest rates used were estimates from the LOCAL, with actual interest rates determined on the day of sale. When the issues non-voted, long-term debt there is a statutory requirement that limits how much the city can issue. The city would be okay with meeting that limitation; however, there is a city policy stating that the annual debt service on all non-voted, long-term obligation debt cannot exceed 3% of general fund revenues. She stated the city's remaining annual debt payment capacity through 2022 is about \$49,753.

Councilor Taylor thought the council had discussed increasing the 3% to 5%. City Manager Anderson stated that since it is council policy and not a state requirement, the council has the right to make an exception, suspend, or revise the policy.

Councilor Lund stated the community has given so much in the past and he was comfortable with the loan amount.

Ms. Saul stated that lodging tax funds have been identified as the resource needed to pay all or most of the payments associated with a bond/loan. The Lodging Tax Advisory Committee has discussed this possibility and conceptually recommended committing \$50,000 a year to pay off a bond/loan for improvements for Recreation Park. There is also a question about how much lodging tax money is available to pay for the annual debt service for this project and whether the LTAC would consider committing more than \$50,000 a year since the project now includes synthetic turf to expand the tournament season.

February 25, 2019

Ms. Saul stated that staff was recommending that the City Council approve debt financing in the amount of \$825,000 (not to exceed \$1 million) with a maximum maturity of 15 years, using private placement financing, and that lodging tax funds be used to repay all or most of the debt service payments (minimum of \$50,000 up to 100% of annual debt service estimated at \$69,000 to \$71,000).

Councilor Pope moved that the City Council approve a council-manic debt issue of not to exceed \$1 million, for a maximum maturity term of 15 years through a private placement process. The motion was seconded by Councilor Lund.

Councilor Harris stated the Lodging Tax Advisory Committee has been extremely wonderful in supporting other parks projects and tourism projects. The ballfields are responsible for bringing the second largest amount of tourism into the community. In 2017, the LTAC agreed to reserve \$50,000 in 2018 for the project, and did the same in 2018 for 2019, so there is already \$100,000 in restricted funds for the project. He stated the committee could meet at any time to consider the project further.

The motion carried unanimously. Mayor Dawes thanked everyone involved in the project and encouraged anyone with questions to contact staff.

5. **Purchase of Property for Future Water Line.** City Manager Anderson stated that late Friday, the city received a notice from Lewis County offering a piece of property that had previously been identified as a location for a new water line, which staff would like to purchase for \$1,200.

Dave Vasilauskas stated the 2019 budget included money to look at replacing some of the Chehalis River pump line. The existing alignment is under I-5, the railroad tracks, and Millett Field. There is a possibility of relocating the line and the property for sale could be used for the new replacement line to the water plant.

Councilor Spahr moved to approve the purchase of property, parcel tax number 005272002000 in an amount not to exceed \$1,200. The motion was seconded by Councilor Pope and carried unanimously.

6. **Introduction of Scouts.** Mayor Dawes recognized Scouts that were in attendance to earn one of their merit badges in citizenship in the Nation. Emmie Prock and Thomas Prock from Chehalis introduced themselves.

7. Administration Reports.

a. **City Manager Update.** City Manager Anderson stated a strategic planning session was scheduled for March 7, and would highlight the changes from the last update in December. She reviewed the city's mission statement and three-year goals.

Maintain and Enhance Financial Stability

- Rich Development lease approved by City Council 11/13/2018
- City Council provided direction in January to proceed with annexation process
- City Council approved contract with FCS Group 1/28/2019 for updated rate study

Enhance and Modernize Technology

- Vendor payment program will require additional software at a cost of \$6,000
- Process to accept credit card and on-line payments; plan to acquire cashiering software with this option expanded to include utility billing system; considering costs and evaluating systems to integrate into city's financial system to present in June 2019.

Increase and Optimize Staffing Levels

- New employee recognition program will be revisited in the future; other HR matters and mixed informal feedback has postponed this item.
- Professional development program for managers/supervisors successful. New supervisor hires will attend 3-day building supervisory skills training through WCIA's training program. City's three new supervisors completed all or most of training classes. Additional supervisors are planning to take one or more classes in 2019.

February 25, 2019

Improve and Maintain Infrastructure

- Completed design of sanitary sewer force main improvement project; bid April 2019 for construction this summer.
- Incorporated Transportation Benefit District Implementation Plan into TIP; revisit objective during next workshop.
- City Council appointed committee to Chehalis Beautification Plan; first meeting to be held March 1.

Enhance and Maintain Facilities

- Recreation Park project progressing positively; success in receiving grants.
- 911 Dispatch – working jointly with Centralia and RFA to determine options for this service; Lewis County has expressed interest in exploring using Thurston County 911, as well.
- Re-evaluate current Fire Station; ongoing issue; provided City Council structural concerns about building; continuing to work with Lewis County Fire District #6 on annexation option and longer term rent of their station; District #6 is expected to present new lease terms in the next month.

City Manager Anderson stated that the core values that we want to demonstrate in both word and deed while working through these objectives include Ethical Behavior; Honesty and Integrity; Professionalism; Reliability; Dedication and Hard Work; Collaboration and Teamwork; Service to the Community. She stated the next planning session will be held March 7 in the council chambers beginning at 8:15 am.

8. Councilor Reports/Committee Updates.

a. Councilor Taylor reported that the Twin Transit Board is meeting frequently. They plan to try and hire a new manager on their own without using a search firm. Several resumes have already been received.

b. Councilor Lund reported he attended a council parks committee meeting. He thanked Public Works for alerting the steam train that they had an unusually large water consumption.

c. Mayor Dawes and City Manager Anderson attended a meeting with the Corps of Engineers; the Corp Colonel of this region will attend the April 5 mayors' meeting. On February 15, he testified on a bill that deals with the Firemen's Pension Fund. Mayor Dawes also attended another meeting with the Corp held recently in Centralia, and a ribbon cutting at the new Village Concepts facility for seniors. He passed along comments he had received about the Community Development Department that staff is very easy to work with and is very accommodating. The annual Firemen's Pension Board meeting was held February 20 to set the annual rates for the three remaining pre-LEOFF firefighters, and he attended the chamber's Business After Hours held at the Boys and Girls Club, and the EDC banquet.

There being no further business to come before the council, the meeting was adjourned at 6:31 pm.

Dennis L. Dawes, Mayor

Caryn Foley, City Clerk

Approved: 3/11/2019
Initials: cf